Agency Priority Goal | Action Plan | FY 2022 – Q1 – Q3

Promote Transparency in the Financial System

Goal Leaders:
Brian Nelson, Undersecretary, Terrorism and Financial Intelligence (TFI)
Scott Rembrandt, Deputy Assistant Secretary, Terrorist Financing and Financial Crimes (TFFC), TFI
Him Das, Acting Director, Financial Crimes Enforcement Network (FinCEN)
Goal Overview

Goal statement

- Establish a robust regulatory framework to ensure timely information on the highest priority threats to combat the misuse of companies by criminals. By September 30, 2023, the Department of the Treasury will strengthen and adapt the Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) framework by publishing and updating regulatory requirements and creating a solution that will securely collect, store, and manage beneficial ownership information for use by law enforcement and other authorized partners.

Problem to Be Solved

- Illicit financial activity through the abuse of legal entities in the U.S. and global financial systems weakens financial transparency, distorts markets, and hurts ordinary Americans.
- Lack of transparency in the U.S. real estate sector can provide corrupt officials and illicit actors a safe haven to launder the proceeds of criminal activity through the purchase of real estate.

What Success Looks Like

- Implemented Corporate Transparency Act (CTA) requirements, including the issuance of required rulemakings and the creation of a fully funded and functioning beneficial ownership database.
- Updated AML/CFT regulatory framework for real estate.
## Goal target(s)

In the table below, please repeat the key metrics included in the goal statement (previous slide) that will be used to track progress.

**Please update this column each quarter.**

<table>
<thead>
<tr>
<th>By...</th>
<th>We will...</th>
<th>Key indicator(s)</th>
<th>Quantify progress</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 FY 2023</td>
<td>Strengthen and adapt the AML/CFT regulatory framework to provide greater transparency by publishing regulatory requirements regarding real estate transactions.</td>
<td>Publish associated AML/CFT regulations for real-estate to effectively cover specified cash transactions.</td>
<td>Publish ANPRM and NPRM</td>
<td>0</td>
</tr>
<tr>
<td>Q4 FY 2023</td>
<td>Strengthen and adapt the AML/CFT regulatory framework by creating a system that will securely collect, store, and manage beneficial ownership information.</td>
<td>Publish associated regulations on beneficial ownership</td>
<td>Publish ANPRM and NPRM for Access and Reporting</td>
<td>Beneficial Ownership ANPRM published</td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Complete systems engineering and planning, majority of development and testing</td>
<td>Substantial progress on system build</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Goal Team

Beneficial Ownership Information

**FinCEN Senior Leads**
- Himamuli Das (Acting Director);
- Felicia Swindells, Policy Division (PD);
- Amy Taylor, Technology Division (TD)

**Other FinCEN Leads:**
- Strategic Operations Division (SOD) = Andrew Winerman
- Global Investigations Division (GID) = Matt Stiglitz
- Intelligence Division (ID) = Kim Donovan

**Other Treasury Leads:**
- Internal Revenue Service (IRS)
- Office of General Counsel (OGC)
- Office of Tax Policy (OTP)
- Office of Terrorist Financing and Financial Crimes (TFFC)

**External Partners**
- Small Business Administration
- Department of Justice
- Banking Regulators
- Law Enforcement
- Department of State

Real Estate Transactions

**FinCEN Senior Lead**
- Matt Stiglitz (GID)

**Other FinCEN Leads:**
- Policy Division (PD) = Felicia Swindells; James Martinelli

**Other Treasury Leads:**
- Office of Terrorist Financing and Financial Crimes (TFFC)
- Internal Revenue Service (IRS)
- Office of General Counsel (OGC)

**External Partners**
- Department of Justice
- Banking Regulators
- Law Enforcement
Goal Strategies

Strategy 1: Strengthen and adapt AML/CFT regulatory framework for real estate
- Issue regulations regarding certain residential real estate transactions.
- Assess regulatory framework regarding real estate transactions and issue regulations regarding appropriate real estate cash legal entity transactions.

Strategy 2: Stand up Beneficial Ownership regulatory framework, along with the Beneficial Ownership Secure Systems (BOSS)
- Issue Beneficial Ownership information regulations
- Create a solution that will securely collect, store, and manage BO information
- Align BOSS requirements collection with rulemaking process
- Establish the BOSS systems/architecture in a FISMA-High Government Cloud Environment
Key indicators

1) Publishing of AML/CFT related regulations

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publish associated AML/CFT regulations for real estate to effectively cover specified cash transactions.</td>
<td>On track</td>
</tr>
<tr>
<td>Publish associated regulations on beneficial ownership information</td>
<td>On track</td>
</tr>
</tbody>
</table>

2) Create a functioning beneficial ownership information system

Initiation (Complete)  Planning (Complete)  Execution (In Progress)  Closeout (Not Yet Started)

Q3 FY2022
Key milestones for Strategy 1:
Strengthen and adapt AML/CFT regulatory framework

<table>
<thead>
<tr>
<th>Key Milestone</th>
<th>Milestone Due Date (No Later Than)</th>
<th>Milestone Status</th>
<th>Owner</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publish Real Estate NPRM</td>
<td>Q4 FY 2023</td>
<td>On track</td>
<td>GID</td>
<td>ANPRM published 12/21. Received and reviewed ANPRM comments. Determining the options to choose for the NPRM which is in draft.</td>
</tr>
<tr>
<td>Review Real Estate NPRM comments</td>
<td>Q4 FY 2023</td>
<td>Not yet started</td>
<td>GID</td>
<td></td>
</tr>
</tbody>
</table>
## Key milestones for Strategy 2: Deliver Beneficial Ownership Secure Systems (BOSS)

<table>
<thead>
<tr>
<th>Key Milestone</th>
<th>Milestone Due Date (No Later Than)</th>
<th>Milestone Status</th>
<th>Owner</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publish Beneficial Ownership Reporting NPRM</td>
<td>12/2021</td>
<td>Complete</td>
<td>PD</td>
<td></td>
</tr>
<tr>
<td>Develop Solution Concept Report</td>
<td>Q4 FY 2021</td>
<td>Complete</td>
<td>TD</td>
<td></td>
</tr>
<tr>
<td>Complete detailed systems engineering and planning</td>
<td>Q2 FY 2022</td>
<td>Complete</td>
<td>TD</td>
<td></td>
</tr>
<tr>
<td>Establish FISMA High Cloud Environment</td>
<td>Q4 FY 2022</td>
<td>On Track</td>
<td>TD</td>
<td></td>
</tr>
<tr>
<td>Review Reporting NPRM Comments</td>
<td>Q4 FY 2022</td>
<td>On track</td>
<td>PD</td>
<td></td>
</tr>
<tr>
<td>Revise Reporting Proposed Rule and Preamble</td>
<td>Q4 FY 2023</td>
<td>On track</td>
<td>PD</td>
<td></td>
</tr>
<tr>
<td>Develop Access Proposed Rule and Preamble</td>
<td>Q4 FY 2023</td>
<td>On track</td>
<td>PD</td>
<td></td>
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<tr>
<td>Publish Access NPRM</td>
<td>Q4 FY 2023</td>
<td>On track</td>
<td>PD</td>
<td></td>
</tr>
<tr>
<td>Review Access NPRM Comments</td>
<td>Q4 FY 2023</td>
<td>On track</td>
<td>PD</td>
<td></td>
</tr>
<tr>
<td>Develop Revised Customer Due Diligence (CDD) Rule and Preamble</td>
<td>Q4 FY 2023</td>
<td>Not Yet Started</td>
<td>PD</td>
<td></td>
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<tr>
<td>Publish Revised CDD NPRM</td>
<td>Q4 FY 2023</td>
<td>Not Yet Started</td>
<td>PD</td>
<td></td>
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<tr>
<td>Review Revised CDD NPRM Comments</td>
<td>Q4 FY 2023</td>
<td>Not Yet Started</td>
<td>PD</td>
<td></td>
</tr>
<tr>
<td>Complete Wave 1 Development</td>
<td>Q1 FY 2023</td>
<td>On Track</td>
<td>TD</td>
<td>Began in April 2022</td>
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<tr>
<td>Complete Wave 1 Testing</td>
<td>Q2 FY 2023</td>
<td>Not Yet Started</td>
<td>TD</td>
<td></td>
</tr>
<tr>
<td>Complete Wave 2 Development</td>
<td>Q3 FY 2023</td>
<td>Not Yet Started</td>
<td>TD</td>
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Narrative – FY 2022 Q1 – 3

In FY 2022 Quarter 2, FinCEN made progress in reaching milestones for Anti-Money Laundering (AML) Act and Corporate Transparency Act (CTA) implementation and other related rulemaking impacting transparency in the financial system. FinCEN published the Beneficial Ownership (BO) Information Reporting Notice of Proposed Rulemaking (NPRM) in December 2021. FinCEN also issued the Real Estate Advance Notice of Proposed Rulemaking (ANPRM) in December 2021, which is designed to promulgate rules that will provide additional transparency in certain real estate transactions.

FinCEN continues other rulemaking processes related to BO information under the CTA and has started the necessary requirements analysis for the BO system development.

In FY 2022 Quarter 3, FinCEN made progress in reaching milestones for Corporate Transparency Act (CTA) implementation and other related rulemaking impacting transparency in the financial system.

In addition, FinCEN began the first phase (Wave 1) of the BOSS Program and is on track to obtain the Authority to Operate the new FISMA High Government Cloud Environment (FinCloud).

FinCEN continues other rulemaking processes related to BO information under the CTA and has started the necessary requirements analysis for the BO system development.
Data accuracy & reliability

Updates to performance elements on slide 3 are based on dates that ANPRMs, NPRMs and final rules are published in the CFR, or dates reports are submitted to Congress.
Contributing Programs

Organizations:
- Egmont Group of Financial Intelligence Units
- Banking regulators

Regulations:
- The Bank Secrecy Act (BSA), 31 USC 5311 et seq, establishes program, recordkeeping and reporting requirements for national banks, federal savings associations, federal branches and agencies of foreign banks.
- The "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001" deters and punishes terrorist acts in the United States and around the world, enhances law enforcement investigatory tools, and strengthens U.S. measures to prevent, detect and prosecute international money laundering and financing of terrorism, among other features.

Other Federal Activities:
- Department of Justice
- Department of State

Stakeholder / Congressional Consultations
FinCEN closely scrutinizes enacted AMLA/CTA legislation as it works to write and implement new rules. FinCEN strictly adheres to the Federal rulemaking process, including the requirement to provide notice of proposed rules and accept and consider comments from stakeholders. FinCEN complies with reporting and briefing requests from Congress.